

be able to save his company, but this payment problem still forced him to lay off employees and scale back his business. Other subcontractors on big Federal projects are simply not so lucky and risk bankruptcy when the prime contractor defaults.

Thanks to this bill, no subcontractor in the future, including those working on the Farley Building or any Federal building, will have to suffer from inadequate payment bond protection as did my constituent Fred Levinson. This is also, I might add, a case study in democracy, an example of how one person can come to a legislator, point out a problem, and work with them to solve it and to make a difference. I would like to dedicate my work on this bill to Fred Levinson, who brought it to my attention.

Mr. Speaker, as someone who has long been interested in Federal procurement policy, I can speak firsthand to the importance of full and timely payment to all segments of the construction industry. In particular, small firms face enormous risks when they are not paid for work they complete. Many firms across the country have risked bankruptcy simply because they were not paid on time or in full by a project owner. Cases in which the Federal Government is the owner of the project are certainly no exception.

□ 1515

This bill will make three important changes to the Miller act.

First, it will require that prime contractors working on Federal projects furnish a payment bond of a value equal to the value of the contract they have been awarded. This provision will ensure full payment protection for subcontractors who choose to work on Federal projects. They will no longer be a \$2.5 million limit.

Second, this bill will modernize the provisions of the Miller act which deal with notification of an intent to make a claim on a payment bond. Current law permits notification only by certified mail. Under this bill, notification will be permitted by any means that permits written third-party notification of delivery. In this era of overnight mail and electronic commerce, it simply makes no sense to permit notification only through registered mail.

Finally, this bill includes a provision that prohibits any waiver of the right to sue under a payment bond unless that waiver is signed by the person whose right is waived after they have commenced work on the project. This will ensure that no subcontractor waives his or her right to sue before beginning work on a project. This provision is critical to protecting the rights of subcontractors throughout the bidding process and beyond.

I always believe that the best legislation is bipartisan, and that is certainly true in this case. This legislation enjoys broad support from Members across the political spectrum. This bill grew out of a hearing that was held

jointly by my friend from California (Mr. HORN) and my friend from Pennsylvania (Mr. GEKAS).

At that hearing we heard from several witnesses who spoke on the need to modernize the act, including my constituent Fred Levinson and one of Chairman GEKAS' constituents, Micki Weaver. Mrs. Weaver, who owns a small specialty firm told of how the inadequacies of the Miller act led her to avoid bidding altogether on future Federal projects.

Both the gentleman from California (Mr. HORN) and the gentleman from Pennsylvania (Mr. GEKAS) agreed that the Miller act needed to be modernized and joined me as an original sponsor. I am very grateful for their hard work as well as that of their staffs and my own, staff which have helped to get us to where we are today. In addition, the gentleman from Indiana (Mr. BURTON) and the gentleman from Illinois (Mr. HYDE) both were instrumental in moving this bill through the legislative process, as were the ranking members, the gentleman from California (Mr. WAXMAN) and the gentleman from Michigan (Mr. CONYERS).

My friend from Virginia (Mr. DAVIS) took the lead in getting everyone involved in this issue to agree to sit down at the table and negotiate so that we could reach the agreement on the legislation we have before us today. In addition, many other Members of this House, including the gentleman from Florida (Mr. SCARBOROUGH), the gentleman from Texas (Mr. SESSIONS), the gentleman from Texas (Mr. SMITH), and the gentleman from Pennsylvania (Mr. KANJORSKI) have supported and worked on this legislation from the beginning and were very instrumental in moving it to the floor today.

Equally important, Mr. Speaker, is the hard work that many of the industry groups have done. I am pleased that every industry group with an interest in modernizing the Miller act supports this bipartisan legislation. This bill enjoys the backing of at least 25 industry organizations, all of which have had a vested interest in the payment bond protection afforded by the act.

In particular, I would like to thank the American Subcontractors Association which has spearheaded the broad-based coalition to modernize the Miller act for their hard work on this bill as well as that of the Associated General Contractors of America and the Surety Association of America, both of which played a critical role in the negotiations which led to this bill.

Mrs. MALONEY of New York. Mr. Speaker, finally I am very pleased to announce that the administration has recently said that it, too, supports the bill. This bill will bring about a common sense reform that will make a tremendous difference for construction subcontractors and their workers who do business with the Federal Government. It will not cost the taxpayers anything, and in fact it might lower the cost of Federal projects.

Mr. Speaker, I urge all Members to support this important bipartisan bill.

Mr. TURNER. Mr. Speaker, I have no further requests for time, and I yield back the balance of the time.

Mr. HORN. Mr. Speaker, I yield myself such time as I may consume.

I just want to, in conclusion, note that the gentleman from Texas (Mr. TURNER), the ranking minority member on the subcommittee, has been very helpful on this; and I mentioned earlier, I will mention again, the gentleman from Pennsylvania (Mr. GEKAS) is a very distinguished legislator from Pennsylvania and a key person on the Committee on the Judiciary, and the gentleman from Illinois (Mr. HYDE) gave the waiver of this bill to the floor, and we are extremely grateful for that bipartisan, bi-committee cooperation.

But in closing, I want to say to the gentlewoman from New York (Mrs. MALONEY) who put it right on the nose, this is a case study in democracy. Everyone that is listening or hearing or reading the RECORD is going to see this is an example of a constituent walking through their Representative's door and say, Look, I've had a problem here. Can you do anything about it? A lot of us have had that experience, and the fact is people do not need to go through lobbyists; they do not need to go through people that are at PAC parties or anything else. They can just walk into their legislator, and if they got a good case, something will happen. The gentlewoman from New York (Mrs. MALONEY) showed something that happened, and all of us cooperated to do it because we knew this was just and we needed to update that law, and I would hope that we have a unanimous vote of the House.

I want to thank my own majority staff, George, the chief counsel and staff director, Randy. The counsel and professional staff member have worked with the staff of the gentlewoman from New York (Mrs. MALONEY) and the staff of the gentleman from Pennsylvania (Mr. GEKAS), and we thank them all for their help. I urge adoption of this measure.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. HORN) that the House suspend the rules and pass the bill, H.R. 1219, as amended.

The question was taken.

Mr. HORN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. HORN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 1219, as amended.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

GOVERNMENT WASTE, FRAUD, AND ERROR REDUCTION ACT OF 1999

Mr. HORN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1442) to amend the Federal Property and Administrative Services Act of 1949 to continue and extend authority for transfers to State and local governments of certain property for law enforcement, public safety, and emergency response purposes, as amended.

The Clerk read as follows:

H.R. 1442

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the “Government Waste, Fraud, and Error Reduction Act of 1999”.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Purposes.

Sec. 3. Definition.

Sec. 4. Application of Act.

TITLE I—GENERAL MANAGEMENT IMPROVEMENTS

Sec. 101. Improving financial management.

Sec. 102. Improving travel management.

TITLE II—IMPROVING FEDERAL DEBT COLLECTION PRACTICES

Sec. 201. Miscellaneous corrections to subchapter II of chapter 37 of title 31, United States Code.

Sec. 202. Barring delinquent Federal debtors from obtaining Federal benefits.

Sec. 203. Collection and compromise of nontax debts and claims.

TITLE III—SALE OF NONTAX DEBTS OWED TO UNITED STATES

Sec. 301. Authority to sell nontax debts.

Sec. 302. Requirement to sell certain nontax debts.

TITLE IV—TREATMENT OF HIGH VALUE NONTAX DEBTS

Sec. 401. Annual report on high value nontax debts.

Sec. 402. Review by Inspectors General.

Sec. 403. Requirement to seek seizure and forfeiture of assets securing high value nontax debt.

TITLE V—FEDERAL PAYMENTS

Sec. 501. Transfer of responsibility to Secretary of the Treasury with respect to prompt payment.

Sec. 502. Promoting electronic payments.

Sec. 503. Debt services account.

TITLE VI—FEDERAL PROPERTY

Sec. 601. Amendment to Federal Property and Administrative Services Act of 1949.

SEC. 2. PURPOSES.

The purposes of this Act are the following:

(1) To reduce waste, fraud, and error in Federal benefit programs.

(2) To focus Federal agency management attention on high-risk programs.

(3) To better collect debts owed to the United States.

(4) To improve Federal payment systems.

(5) To improve reporting on Government operations.

SEC. 3. DEFINITION.

As used in this Act, the term “nontax debt” means any debt (within the meaning of that term as used in chapter 37 of title 31, United States Code) other than a debt under the Internal Revenue Code of 1986 or the Tariff Act of 1930.

SEC. 4. APPLICATION OF ACT.

No provision of this Act shall apply to the Department of the Treasury or the Internal Revenue Service to the extent that such provision—

(1) involves the administration of the internal revenue laws; or

(2) conflicts with the Internal Revenue Service Restructuring and Reform Act of 1998, the Internal Revenue Code of 1986, or the Tariff Act of 1930.

TITLE I—GENERAL MANAGEMENT IMPROVEMENTS

SEC. 101. IMPROVING FINANCIAL MANAGEMENT.

Section 3515 of title 31, United States Code, is amended—

(1) in subsection (a)—

(A) by striking “1997” and inserting “2000”; and

(B) by inserting “Congress and” after “submit to”; and

(2) by striking subsections (e), (f), (g), and (h).

SEC. 102. IMPROVING TRAVEL MANAGEMENT.

(a) LIMITED EXCLUSION FROM REQUIREMENT REGARDING OCCUPATION OF QUARTERS.—Section 5911(e) of title 5, United States Code, is amended by adding at the end the following new sentence: “The preceding sentence shall not apply with respect to lodging provided under chapter 57 of this title.”.

(b) USE OF TRAVEL MANAGEMENT CENTERS, AGENTS, AND ELECTRONIC PAYMENT SYSTEMS.—

(1) REQUIREMENT TO ENCOURAGE USE.—The head of each executive agency shall, with respect to travel by employees of the agency in the performance of the employment duties by the employee, require, to the extent practicable, the use by such employees of travel management centers, travel agents authorized for use by such employees, and electronic reservation and payment systems for the purpose of improving efficiency and economy regarding travel by employees of the agency.

(2) PLAN FOR IMPLEMENTATION.—(A) The Administrator of General Services shall develop a plan regarding the implementation of this subsection and shall, after consultation with the heads of executive agencies, submit to Congress a report describing such plan and the means by which such agency heads plan to ensure that employees use travel management centers, travel agents, and electronic reservation and payment systems as required by this subsection.

(B) The Administrator shall submit the plan required under subparagraph (A) not later than March 31, 2000.

(c) PAYMENT OF STATE AND LOCAL TAXES ON TRAVEL EXPENSES.—

(1) IN GENERAL.—The Administrator of General Services shall develop a mechanism to ensure that employees of executive agencies are not inappropriately charged State and local taxes on travel expenses, including transportation, lodging, automobile rental, and other miscellaneous travel expenses.

(2) REPORT.—Not later than March 31, 2000, the Administrator shall, after consultation with the heads of executive agencies, submit to Congress a report describing the steps taken, and proposed to be taken, to carry out this subsection.

TITLE II—IMPROVING FEDERAL DEBT COLLECTION PRACTICES

SEC. 201. MISCELLANEOUS CORRECTIONS TO SUBCHAPTER II OF CHAPTER 37 OF TITLE 31, UNITED STATES CODE.

(a) CHILD SUPPORT ENFORCEMENT.—Section 3716(h)(3) of title 31, United States Code, is amended to read as follows:

“(3) In applying this subsection with respect to any debt owed to a State, other than past due support being enforced by the State, subsection (c)(3)(A) shall not apply.”.

(b) DEBT SALES.—Section 3711 of title 31, United States Code, is amended by striking subsection (i).

(c) GAINSHARING.—Section 3720C(b)(2)(D) of title 31, United States Code, is amended by striking “delinquent loans” and inserting “debts”.

(d) PROVISIONS RELATING TO PRIVATE COLLECTION CONTRACTORS.—

(1) COLLECTION BY SECRETARY OF THE TREASURY.—Section 3711(g) of title 31, United States Code, is amended by adding at the end the following:

“(11) In attempting to collect under this subsection through the use of garnishment any debt owed to the United States, a private collection contractor shall not be precluded from verifying the debtor’s current employer, the location of the payroll office of the debtor’s current employer, the period the debtor has been employed by the current employer of the debtor, and the compensation received by the debtor from the current employer of the debtor.”.

(12) In evaluating the performance of a contractor under any contract entered into under this subsection, the Secretary of the Treasury shall consider the contractor’s gross collections net of commissions (as a percentage of account amounts placed with the contractor) under the contract. The existence and frequency of valid debtor complaints shall also be considered in the evaluation criteria.

(13) In selecting contractors for performance of collection services, the Secretary of the Treasury shall evaluate bids received through a methodology that considers the bidder’s prior performance in terms of net amounts collected under Government collection contracts of similar size, if applicable. The existence and frequency of valid debtor complaints shall also be considered in the evaluation criteria.”.

(2) COLLECTION BY PROGRAM AGENCY.—Section 3718 of title 31, United States Code, is amended by adding at the end the following:

“(h) In attempting to collect under this subsection through the use of garnishment any debt owed to the United States, a private collection contractor shall not be precluded from verifying the current place of employment of the debtor, the location of the payroll office of the debtor’s current employer, the period the debtor has been employed by the current employer of the debtor, and the compensation received by the debtor from the current employer of the debtor.”.

(i) In evaluating the performance of a contractor under any contract for the performance of debt collection services entered into by an executive, judicial, or legislative agency, the head of the agency shall consider the contractor’s gross collections net of commissions (as a percentage of account amounts placed with the contractor) under the contract. The existence and frequency of valid debtor complaints shall also be considered in the evaluation criteria.

(j) In selecting contractors for performance of collection services, the head of an executive, judicial, or legislative agency shall evaluate bids received through a methodology that considers the bidder’s prior performance in terms of net amounts collected